

EMERGENCY PROCUREMENT OPPORTUNITY

TO: Interested Prospective Expert Service Providers

FROM: Illinois Commerce Commission

DATE: September 13, 1999

SUBJECT: Notice of Emergency Procurement Opportunity

We are requesting offers from responsible vendors to fill the State's needs as described in this solicitation. The solicitation itself consists of the following sections:

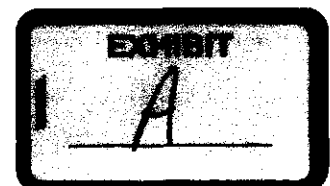
- 1) "Instructions for Submitting Offers." This part, beginning with this page, tells what you need to know and do when preparing and submitting the offer to us. It also tells how we will evaluate your offer.
- 2) "Solicitation Response Forms " We have presented our needs in the form of a proposed "Contract for Services" which shows the specifications (including how we will evaluate your offer), how the offer must be priced, contract terms and other requirements. In addition, you must provide information about your company requested in the "Vendor Prequalification" section, including certain financial and conflict of interest disclosures.

The "Solicitation Response Forms," completed, signed and returned by you, will constitute your offer. You need not submit the Instruction pages with your offer. You should keep the Instructions and a copy of your offer (Solicitation Response Forms) for future reference.

For your convenience we have included a summary description of what we need in section 1.2 of the attached "Instructions for Submitting Offers." More detail is provided throughout this solicitation.

You will find a number of statutory references in the solicitation that are designated "ILCS." The official text can be found in the appropriate chapter and section of the Illinois Compiled Statutes. An unofficial version of The Illinois Compiled Statutes, can be viewed at www.legis.state.il.us/ilcs/chapterlist.html.

Please read the entire solicitation package and submit your offer in accordance with the Instructions. If you are interested and able to meet the requirements set forth in this solicitation, we would appreciate and welcome an offer.



DESCRIPTION OF SERVICES

1. Need for Services.

Commonwealth Edison Company ("ComEd") experienced equipment outages in Chicago and in other areas in northern Illinois during July and August 1999. These equipment outages caused large numbers of electric customers to lose electric service for periods of several hours or days during extremely hot weather. The Illinois Commerce Commission ("Commission" or "AGENCY") is concerned that these equipment outages and associated interruptions of electric service have threatened the public safety, and have put at risk the economic well being of Illinois citizens. The Commission is also concerned that ComEd's distribution and transmission systems may not be capable of providing reliable electric service to customers and, therefore, could place the health, safety, and economic well being of Illinois citizens at risk.

2. Agency's Goal

The investigation will result in a final written report, consisting of a series of intermediate reports on collections of related reliability issues as those portions of the investigation are concluded, that provides a determination of:

1. Adequacy of ComEd's planning, procedures and practices to mitigate inadequate system performance during and following periods of peak demand and outage contingencies.
2. Adequacy of ComEd's planning for and execution of emergency response and system restoration efforts, including effect on public health and safety
3. An evaluation of ComEd's internal and external communications efforts regarding outage and service restoration information, including effects on public health and safety.
4. Adequacy of ComEd's routine and programmatic inspection, maintenance, repair, replacement, and upgrade of equipment and on a system-wide basis
5. A comparison of ComEd's distribution system performance to other major metropolitan service territories over the past year throughout the nation, detailing significant differences and similarities in system operating conditions, planning, design, and operation.
6. An assessment of the organizational and management structure of ComEd and the adequacy of ComEd's performance measures to evaluate personnel and system reliability.

Findings derived from the final investigative report should provide specific and detailed recommendations upon which ComEd and the Commission may take action to reduce the future likelihood of outages and/or reduce the impact of such outages on affected customers, and a recommended schedule for accomplishing the recommendations.

3. Specifications.

- a. Services Required.

As detailed in "Proposed Scope of Stage II and III Investigation", conduct a comprehensive investigation of ComEd's transmission and distribution system design and reliability. In addition, complete the work described below. Copies of all documents referenced in this section (except for the Stage I Final Report, which is expected in late 1999 or early 2000) are attached to this contract as a part of Agency Supplemental Terms and Conditions.

- A. Answer the questions contained in two documents: Energy Division, Engineering Department Questions for ComEd Outage Investigation and Distribution Reliability Review and Energy Division, Engineering Department Questions for ComEd Outage Transmission Reliability Review.
- B. Review the recommendations from Report on the Investigation of the Electric Transmission and Distribution Reliability of the Commonwealth Edison Company, by Resource Management International, dated March 1992 and Investigation of Service Interruptions in the Commonwealth Edison System During the July 12-16, 1995 Heat Wave, by Failure Analysis Associates, dated November 28, 1995 and determine the extent to which ComEd has implemented those recommendations.
- C. Review two October 27, 1998, ComEd management presentations to the ICC, Statement of John W. Rowe and Paul McCoy Presentation to ICC on October 27, 1998 and determine if ComEd has performed the actions detailed therein.
- D. Review the document attached to a December 23, 1998, letter from ComEd Chairman, John W. Rowe to ICC Chairman, Richard L. Mathias, Commonwealth Edison Company's Response to Chairman Mathias' November 16, 1998 Letter Request and determine the accuracy of the information contained therein.
- E. Review Stage I Final Report, when completed, and determine any relationship to the Stage II & III investigation.
- F. Prepare a series of five reports on the timetable set forth under Item 4, below, of this "Description of Supplies and Services".
- G. Make available for a period of two years after completion of the investigation a witness or witnesses who can explain and support the investigation findings and recommendations in written testimony and under cross-examination in a formal Illinois Commerce Commission proceeding, and can provide expert assistance to the Commission or its staff, and Commission counsel, in all matters relating to such a proceeding, including discovery and the preparation of pleadings, briefs and other legal documents.

FAA +
RMI
Report

All findings set forth in the reports prepared by VENDOR must provide specific and detailed recommendations upon which ComEd may take action to distribution and transmission system reliability and a recommended schedule for accomplishing the recommendations.

In addition to the foregoing, VENDOR will be required to submit a detailed work plan for approval by the Commission Staff (hereinafter referred to as "Staff") before in-depth work begins. This will allow Staff to fully understand the issues and subjects which will be addressed and give both Staff and the VENDOR a written document to refer to throughout the investigation.

Preparation of the detailed work plans will depend on the nature of the preliminary information provided by ComEd and preliminary analyses which the VENDOR will conduct. Therefore, a preliminary work plan will be required to be provided with all responses to this Notice of Emergency Procurement Opportunity. The preliminary work plan is further described in Agency Supplemental Terms and Conditions. Based upon the VENDOR's orientation interviews and preliminary analyses, detailed work plans must be prepared and submitted to Staff for approval. Any reallocation of man-hours from the preliminary work plans must be approved by Staff.

The detailed work plans shall include the following:

- A. Identification of work steps to be performed during the investigation.

- B. Identification of the interviews, data reviews, analyses, field observations, etc., to be conducted in order to fully address the work step.
- C. A listing, by work step, of the measurable criteria against which the work step will be evaluated.
- D. Identification of the individual consultants to be involved in completion of the work step.
- E. Allocation of the person-hours, by individual, to the work step.
- F. The expected method of quantification to be used to determine the timeframe for implementing each recommendation.
- G. An approximate date when the work will begin and end for each work step.
- H. The deliverables, including dates.
- I. An outline for each chapter of the final reports, including introductory chapters.

The detailed work plans must clearly identify the level and timing of work being proposed. The objective of each work step must be explained. Staff will carefully review these detailed work plans, meeting with the individual consultant assigned to a particular area as needed.

The investigation will be conducted according to generally accepted government auditing standards ("GAGAS"). For the purpose of this investigation, GAGAS shall be the General Accounting Office's standards related to issues of management economy, efficiency and effectiveness as applicable to public utilities. (The GAO "Government Auditing Standards", also known as "The yellow book," may be found at <http://www.gao.gov/govaud/ybhtml/index.html>).

- b. Qualifications of Vendor and/or Vendor's staff (or others who would perform).

VENDOR must have and demonstrate the education, experience and technical ability necessary to perform this contract. The Commission has specified that the following required levels of education, experience and technical ability shall be the minimum acceptable levels for consideration.

- i. Education

The project manager and task leaders must have a bachelor's degree in electrical engineering.

- ii. Experience

A. The project manager shall have ten (10) years of experience in electric utility transmission systems and distribution systems, working for a utility or an engineering consulting firm, and with no less than 4 of those 10 years working directly for a utility

B. All other lead technical staff shall have 4 years of experience in electric utility transmission systems and distribution systems working for a utility or an engineering consulting firm.

- iii. Technical Ability

The project manager and lead technical staff must have the ability to gather information on ComEd's electric transmission and distribution physical facilities and planning, design, construction, operations and maintenance departments, understand and analyze the information, reach informed conclusions concerning the information, and develop expert recommendations for improvement.

- 4. Define the beginning date, end date, milestones/deliverables, renewal and termination.

The beginning date shall be the date of execution of the contract. The end date shall be one year after the beginning date, except that provisions relating to liability and insurance, confidentiality, and provision of testimony and related services in formal proceedings concerning the subject matter of the contract, shall survive the end date of the contract.

The milestones and deliverables are as follows:

| Reports Delivered to Staff | Stage II Report | Stage III Report | Comprehensive Report |
|--------------------------------|-----------------|------------------|----------------------|
| First Draft Interim Report | Month 5 | Month 8 | None |
| Final Interim Report Published | Month 6 | Month 9 | None |
| First Draft Final Report | Month 8 | Month 11 | Month 11 |
| Final Report Published | Month 9 | Month 12 | Month 12 |

The interim and final reports are to be suitable for release to the public and should detail the investigation scope, methods, information sources, findings, recommendations, and the qualifications of the investigators. For each of the five reports, include references to information source documents to support findings and recommendations in a master copy to be retained by the Commission.

5. Subcontracting

☒ Allowed (Show name of subcontractors and amounts to be paid to each. Subcontractors are subject to approval of the AGENCY.)

☐ Not Allowed

FOR STATE USE ONLY (To be filled in by AGENCY after award)

6. Supplies/Services Awarded.

☐ The entire solicitation is awarded to this VENDOR.

☐ The following portions of this solicitation are awarded to this VENDOR: